

STORMWATER MANAGEMENT FUND

Public Works Department

BUDGET OVERVIEW

	2001-2002 Actual	2003-2004 Budget	2003-2004 Estimate	2005-2006 Budget
Total Expenditures	\$12,895,713	\$14,383,413	\$15,047,803	\$14,024,976
Ending Fund Balance	0	2,024,431	0	1,156,619
Total Budget	\$12,895,713	\$16,407,844	\$15,047,803	\$15,181,595
Total FTEs	28.49	26.49	26.49	29.46

PROGRAM OVERVIEW

The Stormwater fund provides for the safe and effective conveyance of rainwater runoff and attempts to minimize and repair the physical and water quality impacts to the receiving water. Programs under this fund are administered by three functional groups.

- Natural Resources coordinates the comprehensive, basin and master planning for drainage and stream systems; develops the Stormwater Capital Investment Program (CIP) including structural and stream stability/habitat projects; manages the design and construction of the Stormwater CIP; reviews public CIP projects on stormwater-related issues; works to protect/improve surface water quality through monitoring, spill response, inspections and enforcement; and promotes community education and stewardship for the long-term protection of the environment. The division also serves as advisor to the Mayor and Council on stormwater and natural resource issues.
- Development Services reviews private development projects regarding stormwater management, formulates and refines stormwater management standards for new development, and administers the stormwater accounts.
- Operations repairs and maintains the stormwater systems of the City; constructs small capital projects; focuses on safety, efficiency, and protection of the environment; and responds to emergencies, large or small, at all hours of every day.

BUDGET OVERVIEW

Prior to 2004, the last rate study was completed in December 1999 which established a base residential rate of \$8.50 per month and a CIP surcharge of \$3.00 per month, for a total monthly rate of \$11.50. This rate was set at a level to sustain the utility for a five-year period ending December 2004, at which time a new rate study would be required. The surcharge was scheduled to sunset at the end of this five-year period. This rate structure, which was designed to over collect during the first half of the five year rate period and under collect during the second half, performed as planned.

In 2004, a rate study was undertaken to evaluate the financial and capital needs of the program and to determine rate requirements for the 2005-2006 biennium. This study recommended adjusting the rates for

inflation and presented several options to fund capital construction that would be needed to comply with current federal, state and local environmental regulations. These regulations include Department of Ecology Stormwater regulations, the Endangered Species Act Salmon Conservation plan, Sensitive Areas and Shoreline regulations, and Wellhead and Critical Recharge Area Protection.

Based upon the results of this rate study, the City Council allowed the \$3.00/month CIP surcharge to sunset as scheduled and established a new base residential rate of \$11.50 per month for the 2005-06 biennium. Besides providing for inflation since the rate was last changed in 1999, the revised rate also sustain current service levels, provides revenues for an illicit discharge study and provide for the initiation of a capital investment program enabling the Utility to be partially compliant with the aforementioned environmental regulations. Additionally, the City Council stated its intent to review the residential rates during the 2005-06 biennium in order to determine the appropriate residential rate level to bring the Utility into full compliance with federal, state and local regulations. The next rate study is scheduled for 2006 to evaluate rate revenue requirements for the 2007-08 biennium.

The City of Redmond's new stormwater management rate is comparable to that of neighboring jurisdictions. The following table summarizes monthly residential rates for the City and surrounding jurisdictions.

Comparison of Monthly 2005 Stormwater Rates	
Jurisdiction	Stormwater Rate
City of Bellevue	\$11.79 ^[1]
City of Issaquah	\$11.77
City of Redmond (Approved)	\$11.50
City of Seattle	\$10.14
City of Kirkland	\$10.90
City of Woodinville	\$7.09
City of Bothell	\$6.09
City of Renton	\$5.39

Notes:

2005 monthly billings based on staff survey of listed cities,
unless otherwise noted.

[1] City of Bellevue rates adjusted for lower average customer lot size,
based on discussions with Bellevue city staff.

REVENUES

	2001-2002 Actual	2003-2004 Budget	2003-2004 Estimate	2005-2006 Budget
Beginning fund balance	\$1,108,473	\$1,925,644	\$1,925,644	\$890,789
Stormwater management fees	9,886,900	10,526,000	10,149,497	14,016,992
Stormwater construction surcharge	3,490,141	3,715,000	3,582,741	0
Engineering fees	225,911	200,000	220,644	239,076
Miscellaneous revenues	102,340	41,200	60,066	34,738
TOTAL REVENUES	\$14,813,765	\$16,407,844	\$15,938,592	\$15,181,595

EXPENDITURES

	2001-2002 Actual	2003-2004 Budget	2003-2004 Estimate	2005-2006 Budget
Salary and Benefits	\$3,556,708	\$3,531,981	\$4,415,548	\$4,221,765
Supplies	265,540	349,550	243,768	262,000
Professional/Legal	790,274	1,203,869	1,025,166	1,773,285
Intergovernmental				
Transfers to CIP	5,669,103	5,845,890	5,911,657	4,425,216
Other Intergovernmental Payments	219,166	327,200	333,814	317,603
Capital Equipment	149,612	384,524	161,291	67,500
Debt Service	0	0	0	37,219
Interfund Transfers				
Information Technology	142,694	376,892	471,260	720,612
General Fund	1,480,613	1,623,333	1,729,448	1,639,809
Water/Wastewater	0	0	0	10,816
Fleet Maintenance	540,773	583,524	583,538	444,564
Insurance	81,230	156,650	172,313	104,587
Ending Fund Balance	0	2,024,431	0	1,156,619
TOTAL EXPENDITURES	\$12,895,713	\$16,407,844	\$15,047,803	\$15,181,595
TOTAL FTEs	28.49	26.49	26.49	29.46

SUMMARY OF BUDGET AND PROGRAM CHANGES

	Budget	FTEs
2003-2004 Operating Budget	\$16,407,844	26.49
Adjustments to the base budget:		
Salary and Benefits adjustments	364,053	
Increase in Information Technology charges	331,950	
Increase in annual depreciation expenses which are transferred to the CIP for replacement projects	278,454	
Re-distributes staffing between operations and capital based on anticipated work	161,869	
Other adjustments	790	
Eliminates one-time funding for computer software and hardware	(69,550)	
Reduces professional services due to increase in use of in-house staff	(83,923)	
Fleet adjustments	(138,960)	
Elimination of one-time capital purchases	(384,524)	
Decrease in operating reserves consistent with drawdown provision in the 5-year rate plan	(850,262)	
Decrease in capital projects transfer to CIP under approved rate of \$11.50	(\$1,699,128)	
	<u>(\$2,089,231)</u>	<u>0.00</u>
Program Increases:		
On-going Maintenance and Monitoring of Capital Projects	\$270,000	
Transfer Roth Hill Contract from General Fund	170,000	
Public Works Managers charged proportionately to Utilities	131,824	0.50
Increase Sierra application programming services	10,000	
Re-alignment of Utilities staff due to re-organization	7,590	0.10
Replace a plotter for Development Services	5,500	
Correction of Stormwater FTE count	0	2.12
Re-allocation of Engineering Supervisor to Water/Sewer for Wellhead Protection Program	(45,930)	(0.25)
Re-alignment of Natural Resources Admin Asst to Water/Sewer	(57,496)	(0.50)
	<u>\$491,488</u>	<u>1.97</u>
New Programs:		
Initiation of Illicit Discharge Program	\$297,874	1.00
Citywide Records Management System acquisition	67,500	
Fund the Natural Yard Care Program previously administered by KC	6,120	
	<u>\$371,494</u>	<u>1.00</u>
2005-2006 Operating Budget	\$15,181,595	29.46

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)On-going Maintenance and Monitoring of Completed Capital Projects: \$270,000

Funding of maintenance and monitoring are crucial as follow-up activities to the success of a restoration or mitigation project. Both activities are typically required by permit approvals for the first five years after project completion. Currently, maintenance and monitoring is being funded from the Capital Investment Program and is not reflected in rates. This funding will provide operational dollars for the maintenance and monitoring for completed capital projects constructed by the Stormwater Capital Investment Program (CIP).

Roth Hill Professional Services Contract: \$170,000

Transfers the cost of the Roth Hill professional services contract from Water/Sewer Utility to the Stormwater Management Utility. The majority of the reviews are Stormwater-related and therefore should be paid for by this fund.

Public Works Managers Charged Proportionately to Utilities: \$131,824, 0.50 FTE

This request distributes the time spent on utility activities by the Public Works Director, Assistant Director, Construction Manager and Construction Supervisor that is not captured by the overhead allocation to the utility funds.

Sierra Programming Services: \$10,000

Provides for consultant services to automate the tracking of Public Works permits as part of the City's permit tracking system being implemented. Currently, Public Works permits are being tracked manually on Excel spreadsheets and this process does not provide the necessary information and management reports needed for reliable permit processing. The full cost of the request is \$25,000 and is shared with the Water/Sewer Utility.

Re-alignment of Staff duties and responsibilities: \$7,590, 0.10 FTE.

Due to re-alignment of staff in the Utilities, a 0.10 FTE Administrative Services Supervisor was transferred from the Solid Waste/Recycling program.

Plotter for Development Services – Utilities: \$5,500

This request is for the replacement of an existing plotter that is used by the Development Services Division of the Stormwater Management Fund. The existing plotter is past its useful life. The plotter is used to print maps, drawings and design schematics. Its functions are important to the operation of the Development Services group. The full cost of this request is \$11,000 and is shared with the Water/Sewer Fund.

Correction of Stormwater FTE Count: No fiscal impact, 2.12 FTE

This is a technical correction to properly reflect FTE's with the fund in which their salary and benefit costs are budgeted. The FTEs associated with a full-time Administrative Assistant, a part-time Program Manager, Engineering Technician and Engineering Supervisor position were shown in the Capital Improvement Program even though their costs were budgeted in this fund. There is no fiscal impact as a result of this change.

Re-allocation of Engineering Supervisor to Water/Sewer for Wellhead Protection: -\$45,930, -0.25 FTE

Re-allocates a 0.25 FTE Natural Resources Engineering Supervisor position from this Utility to the Water/Sewer Utility for management of the Wellhead Protection program.

Reorganization of administrative staff: -\$57,496, -0.50 FTE.

The Utility's FTEs are decreased by 0.50 to reflect a department-wide re-organization of administrative staff. The staffing for the Development Services Division, Stormwater Utility is being reduced through this change and the Development Services Division within the Water/Sewer Fund is being increased.

Illicit Discharge Detection and Elimination Program: \$297,874, 1.0 FTE. (New)

The Illicit Discharge Detection and Elimination Program is designed to detect and eliminate improper discharges into the public stormwater system under compliance with the National Pollution Discharge Elimination System administered by the Washington State Department of Ecology. This proposal includes funding to staff the program and resources to determine sources of illicit discharge, develop mitigation plans to address improper connections and provide methods for pollution prevention.

Citywide Records Management Program: \$67,500 (New)

Reflects the Stormwater Management portion of the funding for a citywide Records Management Program. The impending move to the new City Hall and the associated need to reduce the file space has reinforced the need for an integrated document and records management program to manage City records. This project continues the work of the Document Imaging System adopted by the City Clerk's Office and includes the ongoing costs associated with implementation of the citywide electronic document and records management system. The total cost for this program is approximately \$1.3 million

Natural Yard Care Program: \$6,120 (New)

The Natural Yard Care Neighborhood Program is an outreach program initiative that educates residents on various aspects of nature-based lawn and garden care practices. The program enlists residents to come together for three evenings to learn natural methods of gardening that meet their needs and have a positive effect on the environment. The Natural Yard Care Program supports both the City and Public Works goals to protect and enhance the environment and it encourages the community to embrace environmental ethics.

Due to budget constraints, King County has stated that they will no longer continue as a partner in funding the program. The full cost of this program is \$18,000 and is shared with the Solid Waste Recycling and Water/Sewer Funds.

2003-2004 ACCOMPLISHMENTS

- Reviewed development projects, assisting applicants in meeting City development standards and resolving technical issues, with emphasis on protecting the natural environment.
- Digitally mapped and graphically reconciled 80% of the stormwater system infrastructure.
- Successfully completed and complied with the Federal Emergency Management Agency's "Community Assistance Visit" (basically an audit).
- Completed flow chart, in Sierra software format, for the civil construction plan approval process.
- Adopted the new (2001) State Department of Ecology's "Stormwater Management Manual for Western Washington."
- Formulated guidelines to address site work in the rainy season to protect streams and streets from potential erosion and tracking of dirt from construction sites.
- Performed qualitative analysis of erosion and habitat conditions on the more than 50 miles of significant streams in the City.

- Conducted workshops in Natural Yard Care in various neighborhoods throughout the City of Redmond. This program was a very successful outreach initiative that educated residents on the various aspects of nature-based lawn and garden care practices.
- Increased public involvement in stewardship and planting projects. There were approximately 1400 volunteer hours performed on stewardship projects in Redmond.
- Developed and presented several regional presentations for National Stream Restoration Organizations and Conferences, as well as for Congressional Staff.
- Secured more than \$150,000 in grant funding for various capital projects.
- Assisted in re-engineering the citywide Tree Replacement Program.
- Achieved sixty percent completion toward development of a watershed-based Stormwater Master Plan.
- Illicit Connection Program: Received City Council approval to implement interim program pending official approval via 2005 utility rate adjustment.
 - Delineated and prioritized sub-drainage areas for future monitoring throughout the City.
 - Identified and prioritized strategic sampling locations for the two highest basins.
 - Performed over 100 inspections at over 39 locations in highest priority basin.
 - Localized four areas of significant pollution problems within target basin.

2005-2006 WORKPLAN INITIATIVES

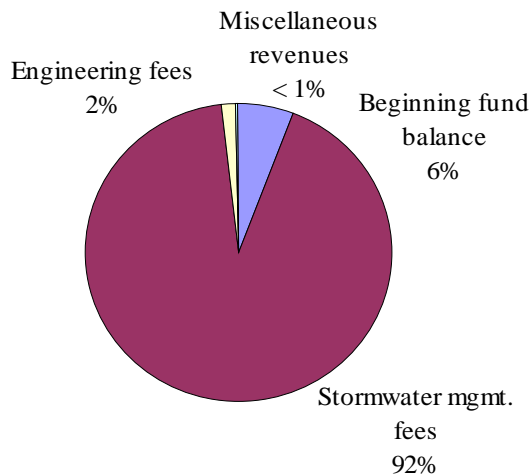
- Update development standards when necessary to meet mandates from the federal and state levels to protect aquatic resources.
- Update the Stormwater portion of the Comprehensive Plan to meet requirement for Endangered Species Act (ESA) compliance under the 4(d) Ruling from National Marine Fisheries.
- Continue to integrate public stormwater system inspections into the existing inspection program.
- Develop an environmental index model aimed at identifying baseline conditions in local streams, lakes, and wetlands utilizing the best available science within practical watershed boundaries. This model would also be able to forecast environmental potential within these watersheds and be used to identify capital improvement projects and goals.
- Develop a comprehensive basin plan utilizing the environmental index model to generate realistic and attainable results for stormwater and natural resource projects that also incorporate regional direction and strategies for salmon recovery.
- Develop maintenance standards and procedures that are aligned with regional guidance established to protect salmon.
- Review current City policies and practices for redundant overlap and for practical ability with regard to the intended/required environmental safeguards, and create simple standards and checklists and make them part of documented responsibilities within individual work plans.
- Expand ESA education/outreach efforts and focus on improved environmental understanding in all areas, and begin efforts to promote sustainability.
- Continue the Natural Yard Care Neighborhood Program, which uses the principals of social marketing to enlist neighbors to come together for three evenings to learn natural yard care methods that meet their needs and have a positive effect on the environment.

- Fully map and ground-truth the entire stormwater detention and conveyance system. Identify and execute system-wide hydraulic and hydrologic models to identify system deficiencies.
- Continue the development of a watershed-based Stormwater Master Plan.
- Illicit Connection Program: Officially implement program, develop operational budget, hire/train staff, and begin next round of inspections.
 - Positively identify sources of pollution for four localized areas in target basin number 1.
 - Successfully remove at least one source of pollution in target basin 1.
 - Begin sampling efforts at pre-defined locations within target basin number 2.
 - Finalize educational materials and complete outreach activities for one or more basins.

SUMMARY OF DEPARTMENT RESOURCES

2005-2006 Budget \$15,181,595

By Category of Revenue



By Division/Program

